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BEFORE THE
ILLINOIS COMMERCE COMMISSION

ILLINOIS-AMERICAN WATER COMPANY)
)
Application for a Certificate of)DOCKET NO.
Public Convenience and Necessity to)05-0791
provide Sanitary Sewer Service to a)
Parcel in DuPage county, Illinois)
pursuant to Section 8-406 of the)
Public Utilities Act.)

Springfield, Illinois
Tuesday, March 7, 2006

Met, pursuant to notice at 10:00 A.M.

BEFORE:

MR. LARRY JONES, Administrative Law Judge

APPEARANCES:

MR. JOHN J. REICHART
Illinois-American Water Company
727 Craig Road
St. Louis, Missouri 63141

(Appearing on behalf of Illinois-American
Water Company via the telephone)

MS. LINDA M. BUELL
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

(Appearing on behalf of the Staff of the
Illinois Commerce Commission).

SULLIVAN REPORTING COMPANY, by
H. Lori Bernardy, Reporter
Ln. #084-004126

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|----|-----------------------|------------------|---------------|-----------------|-----------------|
| 1 | | <u>I N D E X</u> | | | |
| 2 | <u>WITNESSES</u> | <u>DIRECT</u> | <u>CROSS</u> | <u>REDIRECT</u> | <u>RECROSS</u> |
| 3 | WILLIAM D. MARR | | | | |
| 4 | By Ms. Buell | 19 | | | |
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| 8 | | <u>I N D E X</u> | | | |
| 9 | <u>EXHIBITS</u> | | <u>MARKED</u> | | <u>ADMITTED</u> |
| | IAWC Exhibit BK-1.0 | | -- | | 18 |
| 10 | IAWC Exhibit BK-2.0 | | -- | | 18 |
| | IAWC Exhibit BK-3.0 | | -- | | 18 |
| 11 | ICC Staff Exhibit 1.0 | | -- | | 22 |
| 12 | ICC Staff Exhibit 2.0 | | -- | | 22 |
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P R O C E E D I N G S

JUDGE JONES: Good morning. I call for hearing
Docket Number 05-0791. This is titled in part
Illinois-American Water Company, application for a
certificate of public convenience and necessity to
provide sanitary sewer service to a parcel in DuPage
County pursuant to Section 8-406 of the Public
Utilities Act.

At this time, may we have the
appearances orally for the record; first, on behalf
of the Petitioner, Illinois-American.

MR. REICHART: Thank you, your Honor.
Appearing on behalf of Illinois-American Water, John
Reichart. My address is 727 Craig Road, St. Louis,
Missouri 63141. And my own phone number is
(314) 996-2287.

JUDGE JONES: Thank you. Miss Buell?

MS. BUELL: Appearing on behalf of Staff
witnesses of the Illinois Commerce Commission, Linda
M. Buell, 527 East Capitol Avenue, Springfield,
Illinois 62701. My telephone number is area code
(217) 557-1142.

1 JUDGE JONES: Thank you. Are there other
2 appearances?

3 (No audible response.)

4 JUDGE JONES: Let the record show there are
5 not.

6 Mr. Reichart, it's my understanding
7 that what you propose to do is offer into evidence
8 all the pre-file testimony the Company has previously
9 filed on e-Docket, along with an affidavit to be
10 filed electronically on a later date; is that
11 correct?

12 MR. REICHART: That is correct, Judge.

13 JUDGE JONES: All right. We'll go ahead and
14 work our way through that testimony.

15 What's the first series of exhibits
16 that you wish to offer?

17 MR. REICHART: Your Honor, the first exhibit is
18 Illinois-American Water Company Exhibit BK-1.0,
19 entitled Direct Testimony of Bob Khan.

20 The second exhibit is
21 Illinois-American Water Exhibit Number BK-2.0, titled
22 Supplemental Direct Testimony of Bob Khan.

1 And finally, the third document is
2 titled Illinois-American Water Exhibit Number BK-3.0,
3 Second Supplemental. It's titled Second Supplemental
4 Direct Testimony of Bob Khan.

5 Those are the three documents we would
6 seek to have admitted through a late-file affidavit.

7 JUDGE JONES: Does Staff have any objections to
8 the admission of those?

9 MS. BUELL: Staff has no objection, your Honor.
10 Staff just notes that there are various attachments
11 to those exhibits.

12 MR. REICHART: That is correct. And I think it
13 would be our intent to have the attachments included
14 in the file.

15 JUDGE JONES: And with regard to the
16 attachments, do you just want those treated as part
17 of the basic exhibit or as separate exhibits?

18 MR. REICHART: They can be considered part of
19 the exhibit. They're testimonial exhibits to which
20 they believe.

21 JUDGE JONES: Is that acceptable to Staff?

22 MS. BUELL: Yes, it is, your Honor. Staff is

1 wondering what the designation of the affidavit would
2 be?

3 JUDGE JONES: Good point. We'll get to it in a
4 second. Let's work our way through these testimony
5 filings.

6 We'll give them all some sort of
7 prefix when it's testimony first and see what that
8 says.

9 It looks like they bear the IAWC
10 prefix, so we will just stick with that.

11 The first Company exhibit admitted is
12 IAWC Exhibit BK-1.0. That was filed electronically
13 on December 12, 2005. It consists of Mr. Khan's -
14 and that's K-H-A-N - Direct Testimony together with a
15 one-page attachment identified as BK-1.1.

16 So together, Mr. Khan's testimony and
17 Attachment BK-1.1 comprise Exhibit 1.0 admitted into
18 the record.

19 IAWC Exhibit BK-2.0, is a set of
20 documents comprising the Second Supplemental Direct
21 Testimony of Illinois-American. It consists of
22 Mr. Khan's Supplemental Direct and certain

1 attachments to that, namely an attachment identified
2 as 2.01, Illinois Environmental Protection Agency.
3 It consists of two pages.

4 Also attached is 2.02 entitled at the
5 top Kohley Road, K-O-H-L-E-Y.

6 I believe there is also a so-called
7 Revised Exhibit B attached to Exhibit 2.0. It's a
8 one-page document entitled Legal Description.

9 Also filed on e-Docket with that same
10 exhibit is Revised Exhibit A, that being a map.

11 So those various items comprise IAWC
12 Exhibit BK 2.0. For e-Docket purposes they show up
13 as files two, three, and four on that February 8th
14 electronic filing.

15 MS. BUELL: Your Honor, if I may, it was
16 Staff's understanding that Revised Exhibits A and B
17 went with the Illinois-American Petition as opposed
18 to the Supplemental Testimony of Mr. Khan. I could
19 be mistaken though.

20 MR. REICHART: That was originally our intent.
21 If that's okay with the Judge, I think it might be a
22 little cleaner to apply those to the Revised

1 Petition.

2 JUDGE JONES: Yes. Those were filed under a
3 Motion for Leave to File Revised Exhibits. If you do
4 not want Revised Exhibit A and Revised Exhibit B to
5 be deemed part of BK-2.0, that is acceptable.

6 So given that clarification,
7 Exhibit 2.0 as filed on e-Docket consists only of
8 those items shown as File Number four on that
9 February 8, 2006 filing, the so-called Supplemental
10 Testimony being 2.0 along with previously mentioned
11 2.01 and 2.02.

12 So the admitted exhibit is File
13 Number four on that February 8th filing. It does not
14 include files two and three.

15 IAWC Exhibit BK-3.0 consists of the
16 Second Supplemental Direct Testimony of Mr. Khan
17 along with two attachments to that, the first being
18 BK-3.01, and the second being BK-3.02, both
19 identified in that testimony.

20 For e-Docket purposes, the exhibit
21 being admitted consists of File Number one, Bob Khan;
22 File Number two, and File Number three as filed and

1 as listed on e-Docket on February 16, 2006.

2 Any questions about that one?

3 (No audible response.)

4 JUDGE JONES: There are not. So those are the
5 exhibits and they are all admitted as just indicated
6 as filed on e-Docket on the dates noted.

7 (Whereupon IAWC Exhibit Numbers
8 BK-1.0, BK-2.0 and BK-3.0 were
9 admitted into the record.)

10 JUDGE JONES: As for the Affidavit, that will
11 cover all the pieces of testimony and exhibits
12 sponsored by Mr. Khan. That Affidavit will be
13 identified as IAWC Exhibit BK-4.0.

14 How long do you need to file that
15 Mr. Reichart? Is one week sufficient?

16 MR. REICHART: Absolutely, Judge. Thank you.

17 JUDGE JONES: Leave is given to file that
18 exhibit electronically within one week of today's
19 date. I think that's it for the Company's exhibits.

20 Was there anything else regarding the
21 Company's exhibits?

22 (No audible response.)

1 JUDGE JONES: There are not. Next, we will do
2 the Staff case.

3 All right, Ms. Buell, there are two
4 witnesses; is that correct?

5 MS. BUELL: That is correct, your Honor.

6 JUDGE JONES: How do you want to handle these?

7 MS. BUELL: Your Honor, Staff first calls
8 Mr. William D. Marr to the stand to enter his
9 testimony orally.

10 JUDGE JONES: All right, sir. Please stand and
11 be sworn.

12 (Whereupon the Witness was sworn
13 by the Administrative Law
14 Judge.)

15 W I L L I A M D. M A R R,
16 having been first duly sworn by the Administrative
17 Law Judge, witnesseth and saith as follows:

18 DIRECT EXAMINATION

19 BY MS. BUELL:

20 Q. Would you please state your full name and
21 spell your last name for the record.

22 A. William D. Marr, M-A-R-R.

1 Q. Mr. Marr, by whom are you employed?

2 A. Illinois Commerce Commission.

3 Q. And what is your position at the Illinois
4 Commerce Commission?

5 A. I'm a Water Engineer in the Water
6 Department in the Financial Analysis Division.

7 Q. Mr. Marr, have you prepared written
8 testimony for purposes of this proceeding?

9 A. Yes.

10 Q. And do you have before you a document which
11 has been marked for identification as ICC Staff
12 Exhibit 1.0, which consists of a cover page, ten
13 pages of narrative testimony and entitled Direct
14 Testimony of William D. Marr?

15 A. Yes.

16 Q. Now is this a true and correct copy of your
17 Direct Testimony that you prepared for this
18 proceeding?

19 A. Yes.

20 Q. And do you have any corrections to make to
21 your prepared Direct Testimony?

22 A. No.

1 Q. Is the information contained in ICC Staff
2 Exhibit 1.0 true and correct to the best of your
3 knowledge?

4 A. Yes.

5 Q. And if I were to ask you the same questions
6 today, would your answers be the same?

7 A. Yes.

8 MS. BUELL: Your Honor, at this time I ask for
9 admission into evidence Mr. Marr's Prepared Direct
10 Testimony marked as ICC Staff Exhibit 1.0. And I
11 note for the record that this is the same document
12 that was originally filed via the Commission's
13 e-Docket system on February 23, 2006.

14 JUDGE JONES: Mr. Reichart, do you have any
15 objection to the admission of either Mr. Marr's
16 testimony or Ms. Freetly?

17 MR. REICHART: No, Judge. The Company has no
18 objection.

19 JUDGE JONES: Let the record show that ICC
20 Staff Exhibit 1.0, the Testimony of William D. Marr
21 is admitted into the evidentiary record as filed
22 electronically on February 23, 2006, File Number one.

1 (Whereupon ICC Staff Exhibit
2 Number 1.0 was admitted into the
3 record.)

4 MS. BUELL: Your Honor, Staff also requests the
5 admission into the record of ICC Staff Exhibit 2.0,
6 which is designated as the Affidavit of Janice
7 Freetly, that's F-R-E-E-T-L-Y.

8 It consists of two pages and was filed
9 via Commission's e-Docket system on February 23,
10 2006.

11 JUDGE JONES: Let the record show that ICC
12 Staff Exhibit 2.0, the Affidavit of Janice Freetly is
13 admitted into the evidentiary record at this time as
14 filed electronically on February 23, 12,0006, File
15 Number two.

16 (Whereupon ICC Staff Exhibit
17 Number 2 was admitted into the
18 record.)

19 JUDGE JONES: Gall right, does that conclude
20 the Staff case?

21 MS. BUELL: Yes, it does, your Honor. Thank
22 you.

1 JUDGE JONES: Before the hearing I believe the
2 Parties came to agreement on proposing a post-hearing
3 filing schedule for official filing purposes.

4 It's my understanding that would call
5 for the filing of a Draft Order on March 31st; is
6 that correct?

7 MR. REICHART: That is correct, your Honor.
8 And Company and Staff have agreed formally that the
9 Company will provide a draft of this Order to Staff
10 on or about the 22nd of March for their review.

11 MS. BUELL: That's acceptable to Staff, your
12 Honor.

13 JUDGE JONES: All right. That post-hearing
14 filing schedule as proposed is adopted. As noted, it
15 calls for the filing on March 31st of a Draft Order
16 by Illinois-American preceded by the other event
17 outlined by the Parties.

18 I think that's it.

19 Do the Parties have anything else for
20 the record before we mark this matter heard and
21 taken?

22 MS. BUELL: Nothing further from Staff, your

1 Honor.

2 MR. REICHART: Nothing from the Company, your

3 Honor.

4 JUDGE JONES: All right. At this time, let the

5 record show that this hearing is over. And in

6 accordance with the above, this matter is hereby

7 marked heard and taken.

8 Thank you all.

9 HEARD AND TAKEN

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